June 29, 2006

Mr. J. Conway Site Vice President Monticello Nuclear Generating Plant Nuclear Management Company, LLC 2807 West County Road 75 Monticello, MN 55362-9637

SUBJECT: MONTICELLO NUCLEAR GENERATING PLANT

NRC SECURITY BASELINE INSPECTION REPORT 05000263/2006011(DRS)

Dear Mr. Conway:

On June 9, 2006, the US Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your Monticello Nuclear Generating Plant. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results, which were discussed on June 9, 2006, with Mr. Sawatzke and other members of your staff.

The inspection examined activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations and with the conditions of your license. The inspector reviewed selected procedures and records, observed activities, and interviewed personnel.

No findings of significance were identified.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system, ADAMS is accessible from the NRC Website at http://www.nrc.gov/reading-rm/adams.html (the Public

<b>EXEMPT FROM PUBLIC DISCLOSURE</b> May be exempt from public release under the Freedom of Information Act (5 U.S.C. 552)
Exemption number: 5  Nuclear Regulatory Commission review required before public release.
Dale Lawver, RIII/DRS/PSB  Name and organization of person making determination.
Date of determination: 06/21/06

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Electronic Reading Room). However, because of the security-related information contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

/RA/

Kenneth Riemer, Chief Plant Support Branch Division of Reactor Safety

Docket No. 50-263 License No. DPR-22

Enclosure: Inspection Report 05000263/2006011(DRS)

w/Attachment: Supplemental Information

cc w/encl: B. Westreich (NSIR/DNS)

NSIR/DNS/RSS/Licensing Assistant

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J. Conway -2-

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cc w/o encl: M. Sellman, Chief Executive Officer

and Chief Nuclear Officer

Manager, Nuclear Safety Assessment

J. Rogoff, Vice President, Counsel, and Secretary

Nuclear Asset Manager, Xcel Energy, Inc.

State Liaison Officer, Minnesota Department of Health

R. Nelson, President

Minnesota Environmental Control Citizens

Association (MECCA)

Commissioner, Minnesota Pollution Control Agency

D. Gruber, Auditor/Treasurer,

Wright County Government Center

Commissioner, Minnesota Department of Commerce

Manager - Environmental Protection Division

Minnesota Attorney General's Office

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